

EXHIBIT 1

INTRODUCTION

Respondent Lief, Cabraser, Heimann & Bernstein, LLP, is a law firm based in San Francisco. Respondent contributed \$100,000 to a ballot measure committee during the March 7, 2000, Primary Election and therefore qualified as a major donor committee. As a major donor committee, Respondent had a specific reporting obligation under the Political Reform Act ("Act").¹

For purposes of this Stipulation, the violation of the Act is as follows:

COUNT 1: On or about July 31, 2000, Respondent failed to timely file a major donor campaign statement, in violation of Section 84200, subdivision (b).

RESPONDENT: Lief, Cabraser, Heimann & Bernstein, LLP.

SUMMARY OF THE LAW

Section 82013, subdivision (c), defines a major donor committee as any person or combination of persons who, directly or indirectly, makes contributions totaling \$10,000 or more in a calendar year to or at the behest of candidates or committees. Section 84200, subdivision (b), requires all major donor committees to file a campaign statement each year for the reporting periods in which the committee made campaign contributions. For the period January 1 to June 30, the filing deadline is no later than July 31. For the period July 1 to December 31, the filing deadline is no later than January 31 of the subsequent year.

SUMMARY OF THE FACTS

Respondent is a national law firm specializing in complex civil litigation with offices in San Francisco, New York, Boston and Nashville. According to campaign statements filed with the Secretary of State, Respondent's San Francisco office made a \$100,000 monetary contribution to the ballot measure committee, "Consumers and their Attorneys, Yes on Proposition 30." Proposition 30 was an initiative referendum on the March 7, 2000, Primary Election ballot dealing with a third party's right to sue an insurance company for unfair claim practices.

In violation of Government Code section 84200, subdivision (b), Respondent failed to timely file a major donor semiannual campaign statement (Form 461) disclosing the \$100,000 contribution to the Yes on Proposition 30 committee. Before the July 31, 2000, filing deadline, Respondent received two different notification letters concerning its filing obligation. On or about January 19, 2000, and as required by law, the Yes on Proposition 30 committee sent

¹ The Political Reform Act is in Government Code sections 81000-91014. All statutory references are to the Government Code unless otherwise stated. Commission regulations appear at Title 2, sections 18109-18996 of the California Code of Regulations.

Respondent a letter notifying Respondent that it may be required to file as a major donor committee. In addition to that notice, on or about July 5, 2000, the Technical Assistance Division of the Fair Political Practices Commission sent Respondent a letter reminding the Respondent that it may need to file as a major donor committee.

After the filing deadline, on or about October 6, 2000, Investigator Jon Wroten of the Fair Political Practices Commission sent Respondent a letter requesting information about its filing status, and directed the Respondent to file a major donor campaign statement. Mr. Wroten received a written response from the Respondent on October 16, 2000, confirming that the Respondent was in fact a major donor committee and that it had failed to file the required statement. Respondent filed the statement on October 27, 2000. The statement reveals a single contribution of \$100,000 to the Yes on Proposition 30 committee made on January 14, 2000.

The past activities of Respondent show that it is a sophisticated political participant. In 1995 and 1996, Respondents timely filed three consecutive major donor statements. However, Respondent failed to timely file a major donor statement in 1998 to reflect a \$40,000 contribution made during the gubernatorial election.²

CONCLUSION

This matter consists of one count, which carries a maximum possible penalty of Two Thousand Dollars (\$2,000).

The facts of this case justify imposition of the agreed upon penalty of One Thousand Dollars (\$1,000).

² Respondent's 1998 omission was referred to the Enforcement Division along with dozens of other similar cases. Due to the lack of resources, the Enforcement Division closed the 1998 case and did not contact Respondent. Since that time, the Commission has established a streamlined program to handle voluminous major donor cases.